

Don't Get Scammed on Your Way to College!

Financial aid scams are a hot topic these days. You should be aware of the tactics companies use to convince students to buy their services. Here are some of the most common claims students are hearing:

"If you use our services, you're guaranteed to get at least \$2,000 in student aid for college, or we'll give you your money back."

This claim doesn't mean anything. Most students are eligible for at least \$3,500 in unsubsidized student loans anyway—and because a student loan is considered student aid, you won't be able to ask for a refund if that's all you're offered. No one can guarantee to get you a grant or scholarship. Remember, too, that refund guarantees often have conditions or strings attached. Get refund policies in writing.

"Applying for aid is complicated. We're the only ones who can help you through the process and find all the aid for which you're eligible."

Unlikely. There are many places to get free help applying for student aid. Check with your school counselor or college financial aid office for help filling out the *Free Application for Federal Student Aid* (FAFSASM). Your school or college also can help you find scholarships. And be sure to try the free scholarship search at www.FederalStudentAid.ed.gov.

"I'd like to offer you a scholarship [or grant]. All I need is your bank account information so the money can be deposited and a processing fee charged."

Watch out! It's extremely rare for a legitimate organization to charge a processing fee for a scholarship. Some criminals imitate legitimate foundations, federal agencies, and corporations. They might even have official-sounding names to fool students. Don't give anyone your bank account or credit card information or your Social Security number (SSN) unless you initiated the contact and trust the company. Such personal identification information could be used to commit identity theft. If you've been contacted by someone claiming to be from the U.S. Department of Education (ED) and asking for your SSN or bank account information, do not provide it. (ED does not make such calls.) Instead, immediately contact the agencies listed below.

To find out how to prevent or report a financial aid scam, visit or call:

Federal Trade Commission

www.ftc.gov/scholarshipscams

1-877-FTC-HELP (1-877-382-4357)

(TTY for the hearing impaired: 1-866-653-4261)

U.S. Department of Education

Office of Inspector General Fraud Hotline

www.ed.gov/misused

1-800-MIS-USED (1-800-647-8733)

oig.hotline@ed.gov

For more ideas about where to find free information on student aid, visit Looking for Student Aid Without Getting Scammed at www.FederalStudentAid.ed.gov/LSA.

